

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for authority to transfer by sale PSC Certificate No. 16899 to Pacific Coast Sightseeing Tours and Charters, Inc. from CUSA PCSTC, LLC pursuant to the provisions of Public Utilities Code Section 851 et seq.

Application 12-07-018
(Filed July 6, 2012)

D E C I S I O N**Summary**

This decision grants the application to transfer, pursuant to Pub. Util. Code § 851 et seq., a passenger stage corporation (PSC) certificate from CUSA PCSTC, LLC (Transferor), a limited liability company, to Pacific Coast Sightseeing Tours and Charters, Inc. (Transferee), a Florida corporation.

Discussion

Transferor holds a PSC certificate authorizing the transportation of passengers and their baggage on a scheduled basis between points in the Cities of Anaheim, Buena Park, and Garden Grove, on the one hand, and Los Angeles International (LAX) and John Wayne (SNA) Airports, on the other hand. The certificate was granted by Decision (D.) 04-10-029.

The application requests authority to transfer certificate PSC-16899 from Transferor to Transferee. Transferor is one of numerous motor carriers controlled by Coach America Holdings, Inc. Many of these carriers, including Transferee, are currently in Chapter 11 bankruptcy. Transferee is wholly owned by Coach USA, Inc., a holding company incorporated in Delaware that owns

several bus companies operating in various parts of the United States. Coach USA, Inc. is wholly owned by Stagecoach Group, plc, a large, publicly owned entity based in Scotland that owns transportation assets in the United Kingdom, the United States, and elsewhere. Coach USA, Inc. (Transferee's parent) is in the process of acquiring the assets of numerous bankrupt subsidiaries of Coach America Holdings, Inc., including Transferee. Because the PSC certificate is being purchased as part of a large asset acquisition, there is no specific purchase price for the certificate. The asset acquisition agreement has been approved by the bankruptcy court.

Transferee states it will operate exactly the same service currently operated by Transferor between LAX and SNA and various hotels and resorts in Anaheim, Buena Park, and Garden Grove. Once the transaction is complete, Transferee will continue this service using the same motorcoaches and other assets, employees, and business name (Gray Line) used by Transferor.¹ Transferee will adopt the tariff that Transferor has on file with the Commission, including a zone of rate freedom authorized by D.04-10-029. Thus, according to Transferee, the change will be seamless from the public's point of view.

Transferee indicates that it has the financial resources to conduct the service. Because it has not been conducting operations, it does not have a recent financial statement. Any financial support Transferee needs, however, will come from its ultimate parent, Stagecoach Group, plc. Financial statements for Stagecoach Group, plc for the year ending April 30, 2011, are attached to the

¹ Recently, by D.12-10-032, the Commission granted Transferee a PSC certificate (PSC-29151) that authorizes scheduled service between Los Angeles and San Francisco and between San Francisco and Sacramento. Transferee uses the trade name Megabus in that service.

application as Exhibit D. They disclose revenues of approximately \$3.68 billion and assets of approximately \$2.81 billion.²

Notice of filing of the application appeared in the Commission's Daily Calendar on July 26, 2012. Transferee served a copy of the application to the public transit operators in the service area and sent a notice of the application to the involved cities and counties.

In Resolution ALJ 176-3298 dated August 2, 2012, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3298.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Assignment of Proceeding

Emory J. Hagan, III is the assigned Examiner in this proceeding.

Findings of Fact

1. Transferor holds a PSC certificate granted by D.04-10-029 that authorizes the transportation of passengers and their baggage in scheduled service between points in the Cities of Anaheim, Buena Park, and Garden Grove, on the one hand, and LAX and SNA, on the other hand.

2. The application requests approval to transfer the PSC authority to Transferee.

² The financial statements are shown in UK pounds. The conversion factor used is 1.00 UK pound = 1.54 U.S. dollars.

3. Transferee holds a certificate granted by D.12-10-032 that authorizes scheduled PSC service between Los Angeles and San Francisco and between San Francisco and Sacramento.

4. The proposed transfer will not be adverse to the public interest.

5. No protest to the application has been filed.

6. A public hearing is not necessary.

Conclusions of Law

1. The proposed transfer is in the public interest and should be authorized.

2. Since the matter is uncontested, the decision should be effective on the date it is signed.

O R D E R

IT IS ORDERED that:

1. Within 120 days from the effective date of this decision, CUSA PCSTC, LLC (Transferor), a limited liability company, may transfer the operative rights specified in this application to Pacific Coast Sightseeing Tours and Charters, Inc. (Transferee), a Florida corporation, subject to the conditions contained in the following paragraphs.

2. Transferee shall:

a. File a written acceptance of this certificate within 30 days after this decision is effective.

b. Establish the authorized service within 120 days after this decision is effective, adopt Transferor's tariffs and timetables, including the zone of rate freedom authorized by Decision 04-10-029, state in them when the service will start, make them effective ten or more days after this decision is effective and allow at least ten days' notice to the Commission.

- c. Comply with General Orders Series 101 and 158, and the California Highway Patrol (CHP) safety rules.
 - d. Comply with the Commission's controlled substance and alcohol testing certification program pursuant to Pub. Util. Code § 1032.1 and General Order Series 158.
 - e. Remit to the Commission the Transportation Reimbursement Fee required by Pub. Util. Code § 423 when notified by mail to do so.
 - f. Comply with Pub. Util. Code §§ 460.7 and 1043, relating to the Workers' Compensation laws of this state.
 - g. Enroll all drivers in the pull notice system as required by Vehicle Code § 1808.1.
3. Appendix PSC-29151 of Decision 12-10-032 is revised by replacing Original Page 2 with First Revised Page 2.
4. Transferee is authorized to begin operations on the date that the Consumer Protection and Safety Division mails a notice to Transferee that its evidence of insurance and other documents required by Ordering Paragraph 2 have been filed with the Commission and that the CHP has approved the use of Transferee's vehicles for service.
5. The certificate of public convenience and necessity (CPCN) granted to Transferor by Decision 04-10-029 is revoked on the date Transferee is notified that it may commence operations as provided in Ordering Paragraph 4.
6. The revised CPCN to operate as PSC-29151, granted herein, shall expire unless exercised within 120 days after the effective date of this decision.
7. The Application is granted as set forth above.

8. This proceeding is closed.

This decision is effective today.

Dated _____, at San Francisco, California.

Appendix PSC-29151

Pacific Coast Sightseeing
Tours and Charters, Inc.
(a Florida corporation)

First Revised Page 2
Replaces
Original Page 2

SECTION II. SERVICE AREAS.

- A. Cities of Los Angeles, San Francisco, Oakland, San Jose, and Sacramento.
- B. Cities of Anaheim, Buena Park, and Garden Grove.
- C. Los Angeles International Airport (LAX).
John Wayne Airport (SNA).

SECTION III. ROUTE DESCRIPTION.

Route 1 - Commencing from San Francisco, then over the most convenient streets and highways to Sacramento.

Route 2 - Commencing from Los Angeles, then over the most convenient streets and highways to San Francisco. Service may be provided via Oakland and/or San Jose.

Route 3 - Commencing from any point described in Section IIB, then over the most convenient streets and highways to either airport described in Section IIC.